

structure projects resulting from economic development initiatives, completion of phase II of the college of veterinary medicine project at Iowa state university of science and technology, and projects for deferred maintenance, fire safety, or campus security improvements are excluded from this funding restriction.

Approved May 11, 2007

CHAPTER 206

MISCELLANEOUS SUPPLEMENTAL APPROPRIATIONS
AND FINANCIAL REGULATION

S.F. 403

AN ACT addressing financial and regulatory matters by making and revising appropriations, providing for properly related matters, and providing effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I
ADMINISTRATION AND REGULATION
DEPARTMENT OF ADMINISTRATIVE SERVICES
UTILITY COSTS

Section 1. 2006 Iowa Acts, chapter 1177, section 1, subsection 2, is amended to read as follows:

| | |
|--------------------------------------|------------------|
| 2. For the payment of utility costs: | |
| ..... | \$ 3,080,865 |
| | <u>4,080,865</u> |

Notwithstanding section 8.33, any excess funds appropriated for utility costs in this subsection shall not revert to the general fund of the state at the end of the fiscal year but shall remain available for expenditure for the purposes of this subsection during the fiscal year beginning July 1, 2007.

It is the intent of the general assembly that the department shall reduce utility costs through energy conservation practices. The goal of the general assembly is to reduce energy use by ten percent to save money, conserve energy resources, and reduce pollution.

OFFICE OF GOVERNOR

Sec. 2. 2006 Iowa Acts, chapter 1177, section 10, subsection 2, is amended to read as follows:

| | |
|---|----------------|
| 2. TERRACE HILL QUARTERS | |
| For salaries, support, maintenance, and miscellaneous purposes for the governor's quarters at Terrace Hill, and for not more than the following full-time equivalent positions: | |
| ..... | \$ 378,633 |
| | <u>483,633</u> |
| ..... | FTEs 8.00 |

Sec. 3. 2006 Iowa Acts, chapter 1177, section 10, subsection 6, paragraph b, is amended to read as follows:

b. For payment to the governor-elect expense fund in lieu of the appropriation from the general fund of the state under section 7.13 to the governor-elect expense fund:

| | | |
|-------|----|----------------|
| ..... | \$ | 100,000 |
| | | <u>170,000</u> |

DEPARTMENT OF REVENUE
OPERATIONS

Sec. 4. 2006 Iowa Acts, chapter 1177, section 18, unnumbered paragraph 2, is amended to read as follows:

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

| | | |
|-------|------|-------------------|
| ..... | \$ | 23,138,575 |
| | | <u>23,238,575</u> |
| ..... | FTEs | 392.64 |

GOVERNOR

Sec. 5. IOWA ENERGY INDEPENDENCE OFFICE. There is appropriated from the general fund of the state to the office of the governor and lieutenant governor for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For initial implementation of an Iowa energy independence office, in lieu of any other appropriation or allocation made for this purpose for the fiscal year of the appropriation and for the succeeding fiscal year, including salaries, support, maintenance, miscellaneous purposes and for not more than the following full-time equivalent positions:

| | | |
|-------|------|---------|
| ..... | \$ | 250,000 |
| ..... | FTEs | 3.00 |

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.¹

DIVISION II
EDUCATION
STATE BOARD OF REGENTS

Sec. 6. BIOMASS PRODUCTION PROJECT. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

For a biomass production project at the university of northern Iowa to determine the feasibility of burning prairie vegetation for electrical generation:

| | | |
|-------|----|---------|
| | \$ | 330,000 |
|-------|----|---------|

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

DEPARTMENT OF CULTURAL AFFAIRS

Sec. 7. 2006 Iowa Acts, chapter 1185, section 41, subsection 1, is amended to read as follows:

1. For the African-American historical museum and cultural center of Iowa in Cedar Rapids:

| | | |
|-------|----|----------------|
| ..... | \$ | 85,000 |
| | | <u>160,000</u> |

¹ See chapter 209, §3; chapter 215, §132 herein

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until expended. The historical museum and cultural center shall report to the department and the members and staff of the joint appropriations subcommittee on economic development on or before December 15, 2007, detailing the planned and actual uses for the moneys appropriated in this subsection.

Sec. 8. IOWA CAUCUS PROJECT. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For funding of the Iowa caucus project:
..... \$ 500,000

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

DEPARTMENT OF EDUCATION

Sec. 9. SKILLS IOWA TECHNOLOGY GRANT PROGRAM.

1. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For continuation of the skills Iowa technology grant program in accordance with this section:
..... \$ 3,000,000

2. The amount appropriated in this section shall be used to continue the skills Iowa technology grant program, previously known as the follow-the-leader technology grant program. The purpose of the program is to provide assessment and remediation tools to classrooms, to enhance teachers' ability to easily assess the skill levels of individual students and prescribe individualized instruction plans based on those assessments, and provide for professional development of teachers. The department shall contract with a not-for-profit entity with at least two years experience with the skills Iowa technology program and in providing technical assistance to schools in Iowa. The goals for the contractor shall include minimizing disruption in the use of skills Iowa in schools. Any departmental administrative expenses associated with this appropriation shall not exceed \$50,000.

3. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 10. ASSISTIVE TECHNOLOGY LOANS.

1. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the division of vocational rehabilitation services to issue a grant to a foundation to provide assistive technology loans and loan guarantees in accordance with this section:
..... \$ 500,000

2. The foundation must be headquartered in Iowa and be qualified as tax exempt under section 501(c)(3) of the Internal Revenue Code; operate for the purpose of offering loans to Iowans who need to purchase assistive technology such as specialized computers or software, wheelchairs, communication devices, home modifications, vehicle modifications, and other devices; have been in existence since 1998; have offices in Des Moines; and have experience in partnering with banks and the Iowa finance authority in providing loans.

3. The grant shall require the grantee to provide a dollar-for-dollar match.

4. The grant shall be used to provide loans and loan guarantees to or on behalf of Iowa residents who have a disability or disabling condition, are in need of assistive technology, are able to meet lending and purpose requirements, and are able to repay the loan. Not more than 5 percent of the amount appropriated shall be used for the administrative costs of the grantee so that 95 percent of the appropriation amount is used for providing loans and loan guarantees.

5. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 11. MOBILE PRODUCTION UNIT. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the public broadcasting division to purchase a mobile television production unit and digital equipment:

..... \$ 1,000,000

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, 2008.

DIVISION III
HEALTH AND HUMAN SERVICES
IOWACARE PROGRAM

Sec. 12. 2006 Iowa Acts, chapter 1184, section 60, is amended by adding the following new subsection:

NEW SUBSECTION. 4. There is appropriated from the IowaCare account created in section 249J.24 to the state board of regents for distribution to the university of Iowa hospitals and clinics for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, equipment, and miscellaneous purposes, for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:

..... \$ 10,000,000

The amount appropriated in this subsection shall be distributed only if federal funds are available to match the amount appropriated and expenses are incurred to serve the IowaCare expansion population.²

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

DIVISION IV
JUSTICE SYSTEM
DEPARTMENT OF CORRECTIONS
FACILITIES

Sec. 13. 2006 Iowa Acts, chapter 1183, section 4, subsection 1, paragraphs b, c, e, g, and j, are amended to read as follows:

b. For the operation of the Anamosa correctional facility, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 28,903,747

29,253,747

² See chapter 218, §63, 67 herein

Moneys are provided within this appropriation for one full-time substance abuse counselor for the Luster Heights facility, for the purpose of certification of a substance abuse program at that facility.

c. For the operation of the Oakdale correctional facility, including salaries, support, maintenance, and miscellaneous purposes:

| | | |
|-------|----|-------------------|
| ..... | \$ | 28,972,190 |
| | | <u>32,392,728</u> |

e. For the operation of the Mt. Pleasant correctional facility, including salaries, support, maintenance, and miscellaneous purposes:

| | | |
|-------|----|-------------------|
| ..... | \$ | 24,929,418 |
| | | <u>25,479,418</u> |

g. For the operation of the Clarinda correctional facility, including salaries, support, maintenance, and miscellaneous purposes:

| | | |
|-------|----|-------------------|
| ..... | \$ | 24,251,587 |
| | | <u>24,651,587</u> |

Moneys received by the department of corrections as reimbursement for services provided to the Clarinda youth corporation are appropriated to the department and shall be used for the purpose of operating the Clarinda correctional facility.

j. For reimbursement of counties for temporary confinement of work release and parole violators, as provided in sections 901.7, 904.908, and 906.17 and for offenders confined pursuant to section 904.513:

| | | |
|-------|----|------------------|
| ..... | \$ | 799,954 |
| | | <u>1,199,954</u> |

DEPARTMENT OF CORRECTIONS
ADMINISTRATION

Sec. 14. 2006 Iowa Acts, chapter 1183, section 5, subsection 1, paragraph a, unnumbered paragraph 1, is amended to read as follows:

For general administration, including salaries, support, maintenance, employment of an education director to administer a centralized education program for the correctional system, and miscellaneous purposes:

| | | |
|-------|----|------------------|
| ..... | \$ | 3,928,438 |
| | | <u>4,128,438</u> |

DEPARTMENT OF PUBLIC SAFETY
DIVISION OF CRIMINAL INVESTIGATION

Sec. 15. 2006 Iowa Acts, chapter 1183, section 16, subsection 2, unnumbered paragraph 1, is amended to read as follows:

For the division of criminal investigation, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of 17 percent of the salaries for which the funds are appropriated, to meet federal fund matching requirements, and for not more than the following full-time equivalent positions:

| | | |
|-------|------|-------------------|
| ..... | \$ | 18,673,875 |
| | | <u>19,140,375</u> |
| ..... | FTEs | 270.50 |

DEPARTMENT OF PUBLIC SAFETY
STATE FIRE MARSHAL

Sec. 16. 2006 Iowa Acts, chapter 1183, section 16, subsection 5, paragraph a, is amended to read as follows:

a. For the division of state fire marshal, including the state's contribution to the peace offi-

cers' retirement, accident, and disability system provided in chapter 97A in the amount of 17 percent of the salaries for which the funds are appropriated, and for not more than the following full-time equivalent positions:

| | | |
|-------|------|------------------|
| ..... | \$ | 2,513,247 |
| | | <u>2,613,247</u> |
| ..... | FTEs | 41.00 |

DEPARTMENT OF PUBLIC SAFETY
STATE PATROL

Sec. 17. 2006 Iowa Acts, chapter 1183, section 16, subsection 6, unnumbered paragraph 1, is amended to read as follows:

For the division of state patrol, for salaries, support, maintenance, workers' compensation costs, and miscellaneous purposes, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of 17 percent of the salaries for which the funds are appropriated, and for not more than the following full-time equivalent positions:

| | | |
|-------|------|-------------------|
| ..... | \$ | 45,185,618 |
| | | <u>45,335,618</u> |
| ..... | FTEs | 531.00 |

Sec. 18. EQUIPMENT. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For equipment costs:

| | | |
|-------|----|---------|
| | \$ | 300,000 |
|-------|----|---------|

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

DIVISION V
INFRASTRUCTURE, TECHNOLOGY, AND EQUIPMENT
REBUILD IOWA INFRASTRUCTURE FUND

Sec. 19. IOWA JUVENILE HOME. There is appropriated from the rebuild Iowa infrastructure fund to the department of administrative services for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the Iowa juvenile home powerhouse:

| | | |
|-------|----|-----------|
| | \$ | 7,035,000 |
|-------|----|-----------|

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2010, or until the project for which the appropriation was made is completed, whichever is earlier.

TOBACCO SETTLEMENT TRUST FUND AND ROAD USE TAX FUND

Sec. 20. FY 2006-2007. There is appropriated from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund to the following departments and agencies for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

a. For costs associated with the replacement of the roof at the governor’s mansion at Terrace Hill:

..... \$ 700,000

b. For upgrades to the electrical distribution system serving the capitol complex:

..... \$ 800,000

2. DEPARTMENT OF PUBLIC SAFETY

For costs associated with the acquisition and maintenance of property, the purchase and installation of radio consoles at public safety facilities, and the purchase of equipment:

..... \$ 2,400,000

CHANGES TO PRIOR APPROPRIATIONS
DEPARTMENT OF ADMINISTRATIVE SERVICES
FY 2004-2005

Sec. 21. 2004 Iowa Acts, chapter 1175, section 304, subsection 1, paragraph a, is amended to read as follows:

a. For the payment of claims relating to the purchase and implementation of an integrated information for Iowa system, notwithstanding section 12E.12, subsection 1, paragraph “b”, subparagraph (1):

..... \$ ~~6,049,284~~
4,549,284

DEPARTMENT OF PUBLIC SAFETY
FY 2005-2006

Sec. 22. 2006 Iowa Acts, chapter 1179, section 12, subsection 1, paragraph e, is amended to read as follows:

e. DEPARTMENT OF PUBLIC SAFETY

For construction of an Iowa state patrol post in district 8:

..... \$ 2,400,000
0

OFFICE OF TREASURER OF STATE

Sec. 23. There is appropriated from the road use tax fund to the office of the treasurer of state for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For information technology-related expenses:

..... \$ 93,148

DIVISION VI
OTHER APPROPRIATIONS

Sec. 24. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES FUNDING. There is appropriated from the property tax relief fund created in section 426B.1 to the department of human services for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For payment to a county with a population of more than 8,650 but less than 9,000, according to the 2005 population estimate issued by the federal government, of an amount equal to the second property tax relief fund distribution that was payable to the county in January 2006, not to exceed the amount appropriated in this section, had the county met the requirement un-

der section 331.439, subsection 1, paragraph "a", to report by December 1, 2005, expenditures for mental health, mental retardation, and developmental disabilities for the previous fiscal year:

..... \$ 121,124

The county shall credit the amount received by the county pursuant to the appropriation made in this section to the county's mental health, mental retardation, and developmental disabilities services fund created under section 331.424A, for expenditure from the services fund as provided by law.

Sec. 25. ALLOWED GROWTH FUNDING.

1. There is appropriated from the property tax relief fund created in section 426B.1 to the department of human services for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For allocation to a county as provided in this section:

..... \$ 121,960

2. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For allocation to a county as provided in this section:

..... \$ 52,265

3. The appropriations made in this section shall be allocated to a county with a general population of more than 10,500 but less than 10,600, according to the most recent population estimate issued by the federal government, and that met the requirements for distribution in January 2007 of allowed growth factor adjustment funding under the per capita expenditure target pool provisions in accordance with sections 331.438 and 426B.5 and 2005 Iowa Acts, chapter 179, section 1, as amended by 2006 Iowa Acts, chapter 1184, section 73, except that the county's per capita expenditure amount was in excess of the statewide per capita expenditure target amount.

The county receiving the allocation made in this section shall credit the allocation to the county's mental health, mental retardation, and developmental disabilities services fund under section 331.424A.

DIVISION VII
REAL ESTATE EDUCATION

*Sec. 26. NEW SECTION. 268.6 REAL ESTATE EDUCATION PROGRAM.

*There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 2008, and for each succeeding fiscal year, one hundred sixty thousand dollars for allocation to the university of northern Iowa to be used for continuation of the real estate education program.**

Sec. 27. Section 543B.54, Code 2007, is amended to read as follows:

543B.54 REAL ESTATE EDUCATION FUND.

1. The Iowa real estate education fund is created as a financial assurance mechanism to assist in the establishment and maintenance of a college credit real estate education program ~~at the university of northern Iowa programs at Iowa community colleges and other Iowa colleges and universities,~~ and to assist the real estate commission in providing an education director. The fund is created as a separate fund in the state treasury, and any funds remaining in the fund at the end of each fiscal year shall not revert to the general fund, but shall remain in the Iowa real estate education fund.

2. Twenty-five dollars per license from fees deposited for each real estate salesperson's license and each broker's license shall be distributed and are appropriated to the ~~board of regents~~ real estate commission for the purpose of establishing and maintaining a real estate education program at the university of northern Iowa a program to provide grants to community

* Item veto; see message at end of the Act

colleges and other colleges and universities in the state providing programs under this section and using the curriculum maintained by the commission. Grants shall be awarded by a grant committee established by the real estate commission. The committee shall consist of seven members: two members of the commission, four members of the Iowa association of realtors, and one member of the general public. The commission shall promulgate rules relating to the organization and operation of the committee, which shall include the term of membership, and establishing standards for awarding grants. The members of the committee may be reimbursed for actual and necessary expenses incurred in the performance of their duties but shall not receive a per diem payment.

3. The remaining moneys in the fund shall be distributed and are appropriated to the professional licensing and regulation bureau of the banking division of the department of commerce for the purpose of hiring and compensating a real estate education director and regulatory compliance personnel.

Sec. 28. REAL ESTATE EDUCATION PROGRAM. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For allocation to the university of northern Iowa for the real estate education program for expenditure after June 30, 2007:

..... \$ 160,000

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 29. EFFECTIVE DATE. The sections of this division of this Act enacting section 268.6 and amending section 534B.54³ take effect July 1, 2007.

DIVISION VIII
DISPOSAL OF STATE REAL PROPERTY

*Sec. 30. Section 8D.11, subsection 1, Code 2007, is amended to read as follows:

1. The commission may purchase, lease, and improve property, equipment, and services for telecommunications for public and private agencies and may dispose of property and equipment when not necessary for its purposes. However, the commission shall not enter into a contract for the purchase, lease, or improvement of property, equipment, or services for telecommunications pursuant to this subsection in an amount greater than one million dollars without prior authorization by a constitutional majority of each house of the general assembly, or approval by the legislative council if the general assembly is not in session. The sale, exchange, or other means of disposal of property with a fair market value of five million dollars or more requires the prior authorization of a constitutional majority of each house of the general assembly and approval by the governor. The commission shall not issue any bonding or other long-term financing arrangements as defined in section 12.30, subsection 1, paragraph "b". Real or personal property to be purchased by the commission through the use of a financing agreement shall be done in accordance with the provisions of section 12.28, provided, however, that the commission shall not purchase property, equipment, or services for telecommunications pursuant to this subsection in an amount greater than one million dollars without prior authorization by a constitutional majority of each house of the general assembly, or approval by the legislative council if the general assembly is not in session.*

*Sec. 31. Section 29A.57, subsection 2, Code 2007, is amended to read as follows:

2. The board may acquire land or real estate by purchase, contract for purchase, gift, or bequest and acquire, own, contract for the construction of, erect, purchase, maintain, alter, operate, and repair installations and facilities of the Iowa national guard and the Iowa air national guard when funds for the installations and facilities are made available by the federal govern-

³ See chapter 215, §261 herein

* Item veto; see message at end of the Act

ment, the state of Iowa, municipalities, corporations or individuals. The title to the property so acquired shall be taken in the name of the state of Iowa ~~and the real estate. If recommended by the board and authorized by a constitutional majority of each house of the general assembly and approved by the governor, real property with a fair market value of five million dollars or more~~ may be sold or exchanged by the executive council, ~~upon recommendation of the board,~~ when it is no longer needed for the purpose for which it was acquired. Income or revenue derived from the sale of the real estate shall be credited to the national guard facilities improvement fund and used for the purposes specified in section 29A.14, subsection 2.*

*Sec. 32. Section 99G.21, subsection 3, Code 2007, is amended to read as follows:

3. Notwithstanding any other provision of law, any purchase of real property and any borrowing of more than one million dollars by the authority shall require written notice from the authority to the legislative government oversight committees and the prior approval of the executive council. The sale, exchange, or other means of disposal of real property with a fair market value of five million dollars or more requires the authorization of a constitutional majority of each house of the general assembly and approval by the governor.*

*Sec. 33. Section 173.14, subsection 8, Code 2007, is amended to read as follows:

8. Take, acquire, hold, and dispose of property by deed, gift, devise, bequest, lease, or eminent domain. The title to real estate acquired under this subsection and improvements erected on the real estate shall be taken and held in the name of the state of Iowa and shall be under the custody and control of the board. The sale, exchange, or other means of disposal of real property with a fair market value of five million dollars or more requires the prior authorization of a constitutional majority of each house of the general assembly and approval by the governor. In the exercise of the power of eminent domain the board shall proceed in the manner provided in chapters 6A and 6B.*

*Sec. 34. Section 260C.14, subsection 6, Code 2007, is amended to read as follows:

6. Have authority to sell a student-constructed building and the property on which the student-constructed building is located or any article resulting from any vocational program or course offered at a community college by any procedure which may be adopted by the board. However, the sale, exchange, or other means of disposal of real property with a fair market value of five million dollars or more requires the prior authorization of a constitutional majority of each house of the general assembly and approval by the governor. Governmental agencies and governmental subdivisions of the state within the merged areas shall be given preference in the purchase of such articles. All revenue received from the sale of any article shall be credited to the funds of the board of the merged area.*⁴

*Sec. 35. Section 262.9, subsection 7, Code 2007, is amended to read as follows:

7. Acquire real estate for the proper uses of institutions under its control, and dispose of real estate belonging to the institutions when not necessary for their purposes. The sale, exchange, or other means of disposal of real property with a fair market value of five million dollars or more requires the prior authorization of a constitutional majority of each house of the general assembly and approval by the governor. The disposal of real estate shall be made upon such terms, conditions, and consideration as the board may recommend. If real estate subject to sale has been purchased or acquired from appropriated funds, the proceeds of such sale shall be deposited with the treasurer of state and credited to the general fund of the state. There is ~~hereby~~ appropriated from the general fund of the state a sum equal to the proceeds so deposited and credited to the general fund of the state to the state board of regents, which may be used to purchase other real estate and buildings and for the construction and alteration of buildings and other capital improvements. All transfers shall be by state patent in the manner provided by law. The board is also authorized to grant easements for rights-of-way over, across, and under the surface of public lands under its jurisdiction when in the board's judgment such easements are desirable and will benefit the state of Iowa.*

* Item veto; see message at end of the Act

⁴ See chapter 131, §§ 7; chapter 215, §133 herein

*Sec. 36. Section 313.2, unnumbered paragraph 5, Code 2007, is amended to read as follows:

The department, either alone or in ~~co-operation~~ cooperation with any county, ~~shall have the authority to may~~ utilize any land acquired incidental to the acquisition of land for highway right of way and to also accept by gift, lands not exceeding two acres in area for roadside parks and parking areas. The department may furnish necessary maintenance. The department ~~shall~~ also ~~have authority to may~~ accept by gift, equipment or other installations incidental to the use of said ~~such~~ parks and parking areas. Said Such parks and parking areas shall be a part of the primary road system and the department may at its discretion sell or otherwise dispose of said such lands. The sale, exchange, or other means of disposal of any real property with a fair market value of five million dollars or more requires the prior authorization of a constitutional majority of each house of the general assembly and approval by the governor.^{*5}

*Sec. 37. Section 455A.5, subsection 6, paragraph c, Code 2007, is amended to read as follows:

c. Approve or disapprove proposals for the acquisition or disposal of state lands and waters relating to state parks, recreational facilities, and wildlife programs, submitted by the director. The sale, exchange, or other means of disposal of real property with a fair market value of five million dollars or more requires the authorization of a constitutional majority of each house of the general assembly and approval by the governor.*

*Sec. 38. Section 904.317, Code 2007, is amended to read as follows:

904.317 DIRECTOR MAY BUY AND SELL REAL ESTATE — OPTIONS.

1. The director, subject to the approval of the board, may secure options to purchase real estate and acquire and sell real estate for the proper uses of the institutions. Real estate shall be acquired and sold upon terms and conditions the director recommends subject to the approval of the board. However, the sale, exchange, or other means of disposal of real property with a fair market value of five million dollars or more requires the authorization of a constitutional majority of each house of the general assembly and approval by the governor. Upon sale of the real estate, the proceeds shall be deposited with the treasurer of state and credited to the general fund of the state. There is appropriated from the general fund of the state to the department a sum equal to the proceeds so deposited and credited to the general fund of the state which may be used to purchase other real estate or for capital improvements upon property under the director's supervision.

2. The costs incident to the securing of options and acquisition and sale of real estate including, but not limited to, appraisals, invitations for offers, abstracts, and other necessary costs, may be paid from moneys appropriated for support and maintenance to the institution at which the real estate is located. The fund shall be reimbursed from the proceeds of the sale.*

DIVISION IX EFFECTIVE DATE

Sec. 39. EFFECTIVE DATE. Except as provided otherwise, this Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 21, 2007, with exceptions noted.

CHESTER J. CULVER, Governor

Dear Mr. Secretary:

I hereby transmit Senate File 403, an Act addressing financial and regulatory matters by mak-

* Item veto; see message at end of the Act

⁵ See chapter 131, §5, 7 herein

ing and revising appropriations, providing for properly related matters, and providing effective dates.

Senate File 403 is approved on this date, with the exceptions noted below, which I hereby disapprove.

I am unable to approve the item designated as Section 26 in its entirety, which provides a standing limited General Fund appropriation of \$160,000 to fund the operational expenses of the Real Estate Education Program at the University of Northern Iowa. Funding the day-to-day expenses of this program with a standing appropriation effectively removes this function from annual oversight by the Governor, the Board of Regents and the Legislature. I recommend that the Board of Regents or the presidents of the Iowa community colleges provide funding for this program from the General Fund appropriations for their operating budgets if the Real Estate Education Fund is insufficient to cover the expansion of this program contained in other sections of Division VII of Senate File 403 and if the program fits within the mission of the respective institution.

Finally, I am unable to approve the item designated as Division VIII in its entirety, including Sections 30, 31, 32, 33, 34, 35, 36, 37 and 38. This division deals with the Executive Branch's authority to dispose of real property with a fair market value of at least \$5,000,000 and imposes an additional requirement that such transactions must be approved by not only the Governor but also by a majority of each House of the General Assembly. It imposes an unnecessary legislative requirement on the Executive Branch's authority to manage state property in the best interests of the State and could, for instance, adversely affect the timing of certain transactions for the Department of Transportation and the Department of Natural Resources. For this reason, these sections of this division are unacceptable.

For the above reasons, I respectfully disapprove of the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in Senate File 403 are hereby approved this date.

Sincerely,
CHESTER J. CULVER, *Governor*

CHAPTER 207

TARGETED SMALL BUSINESS ASSISTANCE — PROGRAMS AND APPROPRIATIONS

H.F. 890

AN ACT relating to assistance for small businesses, making appropriations, and providing an effective date provision.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 8A.311, subsection 10, unnumbered paragraph 1, Code 2007, is amended to read as follows:

The director shall adopt rules providing that any state agency may, upon request, purchase directly from a vendor if the direct purchasing is as economical or more economical than pur-